

OGC 73-2306

14 December 1973

MEMORANDUM FOR: DDM&S

SUBJECT: OMB Request for Agency Comment on
Overseas Allowances

REFERENCES: (a) Ltr dtd 12 Nov 73 to DCI fr DD/OMB,
Subj: OMB Study of Allowances and
Benefits Available to U.S. Government
Civilian Employees Serving Abroad,
DDM&S 73-4435

STATINTL

(b) Memo dtd 4 Dec 73 to [REDACTED]
fr John D. Iams, Subj: OMB Request
for Agency Comment on Overseas
Allowances

The undersigned has reviewed the draft letter to
Frederic V. Malek, Deputy Director, Office of Management
and Budget. I can find no legal objection to the comments con-
tained within it and, in general, support the proposition that
U.S. Government civilian employees overseas should receive
essentially the same benefits. I believe, however, that manage-
ment should consider the degree to which the Agency should go
on record in support of a uniform allowance structure for such
employees. There are areas in which the Agency has enhanced
for its employees the entitlements of a standardized allowance and
our ability to continue that practice might be curtailed if our
support is expressed too strongly.

STATINTL

[REDACTED]
Assistant General Counsel

GMB:ks

Original - Addressee w/background

1 - ALLOWANCES w/cys references

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Executive Registry

73-7050

DD/M&S 73-4455

November 12, 1973

Honorable William E. Colby
Director
Central Intelligence Agency
Washington, D.C. 20505


Dear Mr. Colby:

Earlier this year, the Office of Management and Budget completed a study of allowances and benefits available to U.S. Government civilian employees serving abroad, copy enclosed. The Department of State reviewed the study in detail and prepared comments on several of the issues it raises. A copy of the Department's views letter is also attached.

To assist the OMB and the Department of State in their further consideration of the issues raised, we would appreciate your comments on the study and the Department's views by no later than December 20.

Mr. Frank Seidl of OMB (395-3616) and Ms. Dorothy Weihrauch, Director of the State Department Allowances Staff (557-5000) will be available to answer any questions you may have in preparing your comments.

Sincerely,


Frederic V. Malek
Deputy Director

Enclosures

ILLEGIB



PPB 73-1644

4 DEC 1973

MEMORANDUM FOR:


Chief, Plans Staff, DDM&S

STATINTL

SUBJECT:


OMB Request for Agency Comment on
Overseas Allowances

REFERENCE:

Letter dated 12 November 1973 to DCI from
DD/OMB, Subject: OMB Study of Allowances
and Benefits Available to U.S. Government
Civilian Employees Serving Abroad,
DDM&S 73-4435

1. As requested, we have studied the reference OMB request for Agency comment on the OMB study of overseas allowances and benefits and on the related State Department position papers. The review left us with an idea about how we might respond to OMB; so instead of convening a committee as had been suggested by the A/SSA/DDM&S, we have put our ideas in a draft memorandum attached. If you think the approach has merit, we recommend that it be coordinated with the Offices of Finance, Personnel and General Counsel.

2. The draft suggests signature by DDM&S but he may prefer to have it prepared for DCI signature. Either way we request that the completed answer be returned to the Office of the Comptroller so that it can be forwarded to OMB through our normal channels with that Office.


JOHN D. IAMS
Comptroller

STATINTL

Attachment:
As stated

DRAFT: [REDACTED] ml
3 December 1973

The Honorable Frederic V. Malek
Deputy Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Malek:

In your memorandum of 12 November 1973, you request our comments on a study prepared by the Office of Management and Budget on the allowances and benefits available to U.S. Government civilian employees serving abroad. You also request comment on some Department of State position papers relating to the study.

The principal recommendation of the OMB study is to extend application of Title 22 of the U.S. Code to all Federal agencies, including DOD. In addition, in its discussion of individual allowances or benefits, the study implicitly recommends certain courses of action.

In its position papers the Department of State endorses the principle of equal treatment for all U.S. Government civilian employees overseas in the critical areas of Medical Benefits, Emergency Visitation Travel, Rest and Recuperation (R&R) Travel, and Family Visitation Travel, and it recommends that the OMB and the Department work together to develop legislation to extend these benefits to U.S.

Government civilian employees of all agencies. On the subject of Home Leave, Transportation of Automobiles, Per Diem for Dependents in Travel Status, and Moving and Storage of Household Goods, OMB's recommendation for uniform treatment was met by the Department with the proposal that the Employee Travel and Relocation Allowance Coordinating Committee, made up of representatives of the Departments of State and Defense, the General Services Administration, the Civil Service Commission and the Office of Management and Budget, "be instructed to develop recommendations on legislation and regulations that will achieve the uniformity sought."

STATINTL

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On the matter of Loan of Household Furnishings, OMB again recommended that all civilian employees be eligible to participate in the program. The Department offers what seem to us to be cogent arguments why this program does not need the action OMB suggests.

② Our experience causes us to support the State position that no action is required on this front.

3 In listing personal benefits OMB included Representation Allowances, and the Department has argued, again persuasively in our view, that these allowances are used for official purposes to further U.S. interests, that they are neither allowances in the normal sense nor employee benefits, and that they should not be discussed in the same context as medical benefits or R&R travel. We concur.

4 OMB's study suggests re-examining the criteria for designating posts at which Post Differentials are paid. The Department refers to the recent report of an interagency task force composed of representatives of the Departments of State and Defense, the U.S. Information Agency, the Agency for International Development, and this Agency, and to the new system for establishing differentials which the task force developed and which is now being tested. We assume you will agree that the OMB suggestion on this subject appears to have been overtaken by events.

5 The Department's position papers refer to the implication in the OMB study that economies could be achieved if Education Allowances were to be offered for home study or correspondence courses. We agree with the Department that home study is at best a poor substitute

for classroom study and we would discourage attempts to establish it as a standard means of providing for the education of dependent children of employees serving overseas.

In the last of its position papers relating to the OMB study, the Department discusses the OMB proposal that the cumulative impact which overseas allowances have on employee compensation be assessed "to obtain a more fully representative world-wide picture of extra pay connected with overseas benefits..." The OMB study includes in the "extra pay" category Living Quarters Allowances, Education Allowances, Post Allowances, Post Differentials, and Medical Benefits. Our comments on these elements of "extra pay" would follow closely those of the Department, and this is understandable given the fact that the overseas experiences of our employees closely mirror those of the Foreign Service Officers whose views have contributed to the State position papers.

We concur in the proposals that a survey be made of the cumulative impact of Post Differentials and Housing Allowances, and that the methodology for determining Post Allowances be studied. We support the Department's positions that Education Allowances do not give employees any add-on to salary and that there is little to be gained by trying to define the impact which overseas medical programs may have on any analysis of the impact of allowances on cumulative emolument.

You may wish to consider whether a study of the compensation value of allowances could best be carried out by an interagency task force such as the one which earlier this year addressed the problem of Post Differentials. We will be happy to participate in such a task force should one be established.

Sincerely,

Harold L. Brownman
Deputy Director
for
Management and Services